

2008 Amendment to the TIF Redevelopment Plan and Project

.....
CENTRAL BUSINESS DISTRICT
REDEVELOPMENT PROJECT AREA
.....

Prepared for
City of Pekin, Illinois

Prepared by
PGAVURBANCONSULTING

May 15, 2008

City of Pekin, Illinois

Mayor

David Tebben

City Council

John Abel
Sue Ann Kortkamp
Tom Blanchard
Barbara Strand
James Jones
Rusty Dunn

City Clerk

Sue McMillan

City Manager

Dennis Kief

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SECTION I

INTRODUCTION

On November 11, 1986 the City Council of the City of Pekin adopted ordinances 1587, 1588, 1589, and 1590 approving a Redevelopment Plan and Project (the “Plan”) for an area designated as the Central Business District Redevelopment Project Area (the “Project Area”) and adopted tax increment financing for said Area. This was accomplished pursuant to the provisions of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq. (the “Act”). The Plan and Project Area boundaries have been amended from time to time in accordance with the provisions of the Act, including adding and removing certain properties from the Project Area.

Since 1986, when TIF District No. 1 was established, progress has been made with respect to economic growth and community improvement in this area of the City. However, much remains to be done and the originally adopted Redevelopment Plan and Project needs to be revised to reflect implementation experience to date and to bring it into compliance with the TIF Act.

With the support of all affected taxing districts, the City has secured legislative approval from the Illinois General Assembly to extend the estimated term of the Plan by up to 12 years via House Bill 1519. This legislation was signed into law as Public Act 93-0747, which became effective July 15, 2004.

While the authorization from the State to extend the Redevelopment Plan and Project has been accomplished, the City still needs to officially amend the Plan to extend the estimated date of completion. This change is incorporated in this 2008 Amendment to the TIF Redevelopment Plan and Project for the Central Business District Redevelopment Project Area (referred to herein as the “2008 Plan Amendment”), which also

- updates the redevelopment program based on implementation experience, the extended term of the Plan, and additional planned projects within the Project Area;
- updates estimated redevelopment project costs, including new redevelopment cost line items as necessary; and
- brings the Plan up to date with the “redevelopment plan” requirements as defined in Section 11-74.4-3(n) of the Act.

The following sections of this report present a revised Redevelopment Plan and Project. Also included with this 2008 Plan Amendment are other provisions to comply with the current requirements of the Act. It is not the purpose of this Plan Amendment to alter the current boundaries of the TIF. Also, it should be noted that the proposed amendment, relating to the extended term of the TIF program, is limited to the property tax portion of the TIF Program. The sales tax portion of the TIF program operates pursuant to separate provisions of the TIF Act and will expire in 2013.

SECTION II

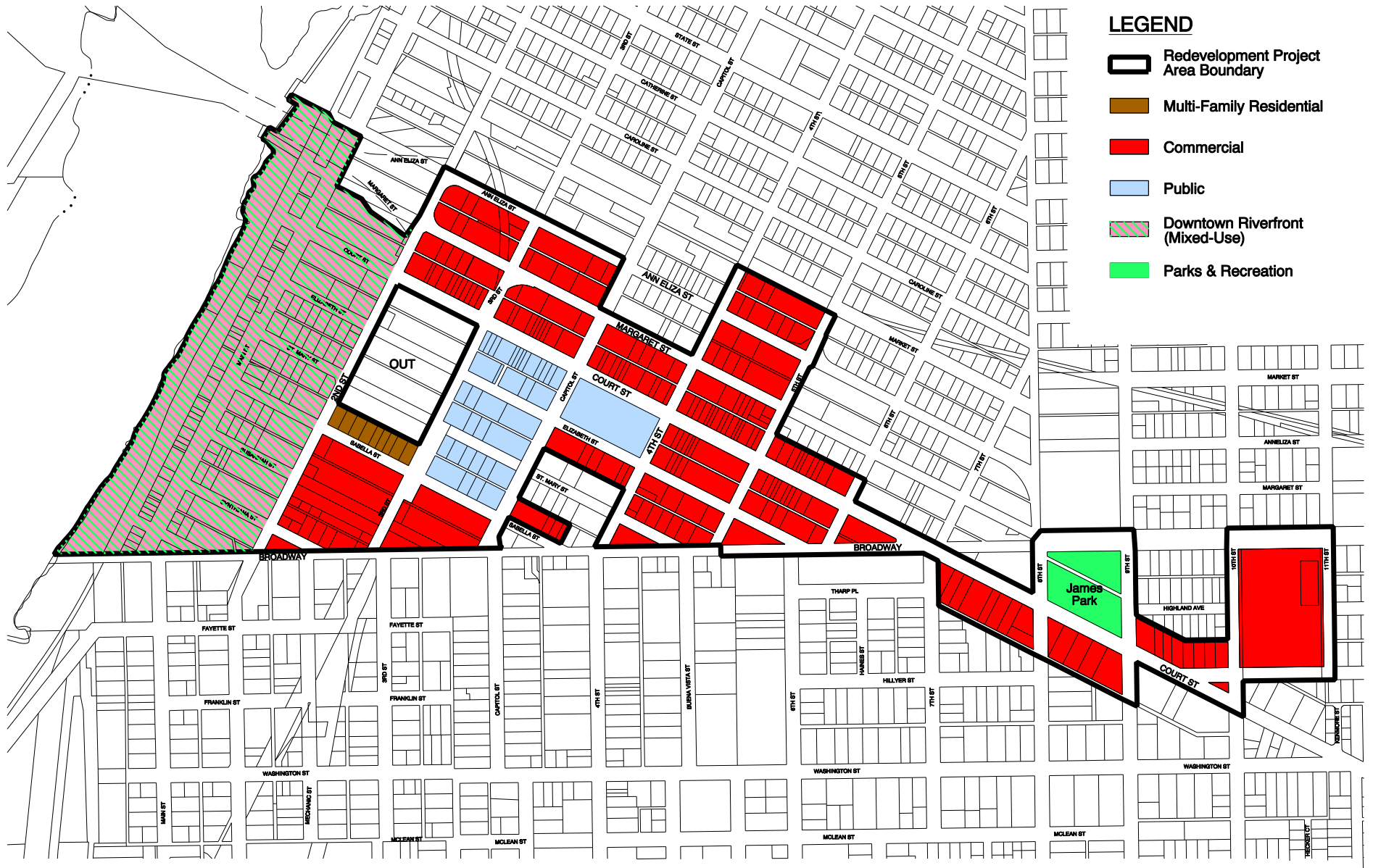
REVISED REDEVELOPMENT PLAN AND PROJECT

A. Introduction

This Section and the following Section III constitutes an amendment to the original 1986 Redevelopment Plan and Project for Pekin's Central Business District TIF Redevelopment Project Area. A **Redevelopment Plan** is defined in the TIF Act as the "comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area." The term **Redevelopment Project** means "any public and private development project in furtherance of the objectives of a redevelopment plan."

B. General Land Uses to Apply

Exhibit A, General Land Use Plan illustrates an updated plan for the Central Redevelopment Project Area. The bulk of the Project Area is composed of commercial uses which are not expected to change use. There are many vacant industrial land uses along the riverfront, such as abandoned grain silos, which would be appropriate targets for redevelopment. Future land use along the riverfront would incorporate a mix of uses, including parks and recreation, public/institutional, multifamily residential, and small retail commercial uses. This approach to land use planning is consistent with one of the key objectives of the 2008 Plan Amendment to induce investment by private enterprise in the City of Pekin. All redevelopment projects shall be subject to the provisions of the City of Pekin's zoning ordinance and other applicable codes as may be in existence and that may be amended from time-to-time.



LEGEND





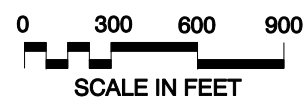
-  Redevelopment Project Area Boundary
-  Multi-Family Residential
-  Commercial
-  Public
-  Downtown Riverfront (Mixed-Use)
-  Parks & Recreation

Exhibit B
General Land Use Plan
 City of Pekin, Illinois



C. Objectives

The objectives of this revised Redevelopment Plan are:

1. Reduce or eliminate those conditions that qualify the Redevelopment Project Area as eligible for tax increment financing by carrying out the Redevelopment Plan including property assembly, demolition of existing buildings, construction of new buildings, and site improvements.
2. Prevent the recurrence of blighting conditions by implementing actions outlined herein.
3. Enhance the real estate tax base for the City and all other taxing districts that extend into the Redevelopment Project Area through the implementation and completion of the activities identified herein.
4. Encourage and assist private investment, redevelopment and rehabilitation within the Redevelopment Project Area through the provision of financial assistance for new development as permitted by the Act.
5. Improve the overall environment of the Area, including public safety and security measures, so as to encourage new investment wherever possible in a manner that is compatible with surrounding land uses.
6. Provide for safe and efficient traffic circulation, facilitate effective emergency response time and accessibility, and general access within the Redevelopment Area.
7. Complete all public and private actions required in this Redevelopment Plan in an expeditious manner.

D. Program to be Undertaken to Accomplish Objectives

The City of Pekin has determined that it is appropriate to continue its program to provide limited financial incentives for private investment within the Redevelopment Project Area. It has been determined, through private & public project implementation experience, that tax increment financing constitutes one of the most effective means available for enabling the redevelopment and conservation within the Area. This portion of the community, the City as a whole, and all other local taxing bodies will benefit from the

implementation of this Redevelopment Plan. The City will incorporate appropriate provisions within any redevelopment agreement entered into between the City and private parties to assure that redevelopment projects make progress towards achieving the objectives stated herein.

E. Redevelopment Project

To achieve the objectives proposed in the Plan, multiple Redevelopment Projects will be undertaken. A Redevelopment Project involves a combination of private investment, as well as public investment, to help overcome the extraordinary costs associated with redevelopment. Activities necessary to implement the Plan may include the following:

1. Private Redevelopment Activities:

Rehabilitation of existing properties and new construction of private buildings at various locations in the Project Area.

2. Public Redevelopment Activities:

Public improvements and support activities will be used to induce and complement private investment. These may include, but are not limited to: street and sidewalk improvements, land assembly and site preparation, public utilities (e.g., water, sanitary and storm sewer facilities), traffic signalization, marketing of properties, as well as other programs of financial assistance, as may be provided by the City.

3. Land Assembly, Displacement Certificate & Relocation Assistance:

In order to achieve the objectives of the Plan, land assembly by the City and eventual conveyance to private entities may be necessary in order to attract private development interest. Therefore, any property located within the Redevelopment Project Area may be acquired by the City, as necessary, to assemble various parcels of land to achieve marketable tracts, or if such property is necessary for the implementation of a specific public or private redevelopment project. This may include the displacement of inhabited housing units located in the Project Area (see below).

Displacement Certificate:

Under Sections 11-74.4-3 (n) (5) and 11-74.4-4.1 (b) of the Act, the City hereby certifies that this Redevelopment Plan will not result in the displacement of ten (10) or more inhabited residential units.

Relocation Assistance:

In the event that households of low-income or very low-income persons inhabit any residential housing units where relocation of the occupants is required, relocation assistance will be provided to such persons. Affordable housing and relocation assistance shall not be less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria. Affordable housing may be either in existing or newly constructed buildings. For purposes of this requirement in the TIF Act, “low-income households”, “very low-income households” and “affordable housing” have the meanings set forth in the Illinois Affordable Housing Act.

F. Estimate of Redevelopment Project Costs

The estimated costs associated with the eligible public redevelopment activities are presented in **Exhibit B** entitled **Estimated Redevelopment Project Costs**. This estimate includes reasonable or necessary costs incurred, or estimated to be incurred, in the implementation of this Redevelopment Plan and Project starting in City fiscal year (FY) 2009 through FY 2021. These estimated costs are expressed in 2008 dollars and are subject to refinement as specific plans and designs are finalized and experience is gained in implementing this Redevelopment Plan.

The itemized list of project costs in **Exhibit B** include some of the same categories of estimated costs in the 1986 Plan, although some of the categories have been added and/or clarified to more accurately reflect the statutory definition and actual implementation experience. Note that unless otherwise funded from other sources, payment of any project cost will be limited to that which can be funded by the incremental revenues generated within the Downtown TIF Area.

G. Description of Redevelopment Project Costs

Costs that may be incurred by the City in implementing the Redevelopment Plan may include project costs and expenses as itemized in **Exhibit B**, subject to the definition of “redevelopment project cost” as contained in the TIF Act, and the “Contingency” line item may include any other costs that are eligible under said definition. Itemized below is the statutory listing of “redevelopment project costs” currently permitted by the Act [bold typeface added for emphasis]:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years.

In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

Exhibit B

**ESTIMATED REDEVELOPMENT PROJECT COSTS
(FY 2009 - FY 2021)
2008 Central Business District Amendment
City of Pekin, Illinois**

Description	Estimated Cost
A. Public Works or Improvements <i>(Improvement of streets, curb and gutters, sidewalks, utilities, and other public improvements)</i>	\$6,000,000
B. Property Assembly Costs <i>(Acquisition of land and other property, building demolition and site preparation)</i>	\$4,000,000
C. Building Rehabilitation/Remodeling	\$2,000,000
D. Relocation Costs	\$500,000
F. Job Training	\$100,000
H. Interest Costs Incurred by Developers <i>(Up to 30% reimbursement of annual interest costs)</i>	\$1,000,000
I. Planning, Legal & Professional Services	\$500,000
J. General Administration	\$100,000
K. Financing Costs	See Note 3
L. Outstanding Debt Service (FY 09 - FY 13)	2,200,000
M. Contingency	\$1,000,000
Total Estimated Costs	\$17,400,000

Notes:

1. All costs shown are in 2008 dollars.
2. Adjustments may be made among line items within the budget to reflect program implementation experience.
3. Municipal financing costs such as interest expense, capitalized interest and cost of issuance of obligations are not quantified herein. These costs are subject to prevailing market conditions and will be considered part of the total redevelopment project cost if and when such financing costs are incurred.
4. Private redevelopment costs and investment are in addition to the above.
5. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption, per subsection 11-74.4.5 (c) of the Act.

- 1.5. After July 1, 1999, **annual administrative costs shall not include** general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;
- 1.6. The **cost of marketing sites** within the redevelopment project area to prospective businesses, developers, and investors;
2. **Property assembly costs**, including but not limited to **acquisition of land** and other property, **real or personal**, or rights or interests therein, **demolition of buildings, site preparation**, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and **the clearing and grading of land**;
3. **Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings**, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
4. **Costs of the construction of public works or improvements**, except that on and after November 1, 1999, redevelopment project costs **shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building** as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either:
 - (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or
 - (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

5. **Costs of job training and retraining projects**, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
6. **Financing costs**, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a **taxing district's capital costs** resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.
- 7.5. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit **school district's increased costs attributable to assisted housing units** located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
 - (A) **for foundation districts**, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita

tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for **unit school districts** with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(B) For **alternate method districts, flat grant districts, and foundation districts** with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School

districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

8. **Relocation costs** to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n);
9. **Payment in lieu of taxes** [see Sec. 11-74.4-3 (m) of the Act];
10. **Costs of job training**, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, **incurred by one or more taxing districts**, provided that such costs
 - (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and
 - (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
11. **Interest cost incurred by a redeveloper** related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - (A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;

- (B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
- (C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total

 - (i) cost paid or incurred by the redeveloper for the redevelopment project plus
 - (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; and
- (E) the cost limits set forth in subparagraphs (B) and (D) of paragraph (11) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11).
- (F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing.

The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property.

For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

12. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
13. After November 1, 1999 (the effective date of Public Act 91-478), **none of the redevelopment project costs** enumerated in this subsection **shall be eligible** redevelopment project costs **if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.**

For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

SECTION III

OTHER FINDINGS AND REQUIREMENTS

A. Conformance with Comprehensive Plan

Redevelopment Projects proposed to be undertaken in implementing this Plan Amendment will conform to the Comprehensive Plan for the City. In addition, all development in the Redevelopment Project Area will comply with applicable codes and ordinances.

B. Would Not be Developed “but for” TIF

The Redevelopment Projects proposed by the City within the Central Business District TIF Area cannot be completed without this Amendment being approved. The City of Pekin does not have sufficient financial resources to address the additional needs of the Central Business District TIF Area, including the need to induce additional private investment, particularly in the riverfront area. Thus, “but for” this Amendment, the Projects cannot be completed and there will not be commitments for private development and revitalization.

It is the intent of this TIF plan amendment to help overcome the economic disincentives that continue to exist in the downtown and along the riverfront. Without financial incentives to overcome these barriers, investment by private enterprise will not take place to the degree necessary to realize significant revitalization and/or redevelopment within the Area.

C. Assessment of Financial Impact

The City finds that the Plan and Redevelopment Projects proposed by this 2008 Amendment will not place significant additional demands on facilities or services for any local taxing body. Currently, police and fire services and facilities appear to be adequate for the foreseeable future.

In addition, the City and Joint Review Board will monitor the progress of the TIF program and its future impacts on all local taxing bodies. In the event significant adverse impacts are identified that increase demands for facilities or services in the future, the City will consider utilizing tax increment proceeds or other appropriate actions, to the extent possible, to assist in addressing the needs.

D. Estimated Date for Completion of the Redevelopment Project

The estimated date for the completion of the Redevelopment Project or retirement of obligations issued shall not be later than December 31 of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year after the year in which the ordinance approving the original Central Business District Redevelopment Project Area was adopted (Ordinance Number 1588).

E. Sources of Funds

One of the sources of funds to pay for Redevelopment Project Costs associated with implementing the Redevelopment Plan shall be funds collected pursuant to tax increment allocation financing as adopted by the City. Under such financing, tax increment revenue resulting from increases in: a) the EAV of property in the Redevelopment Project Area and, b) the sales taxes collected in the Redevelopment Project Area, shall be allocated to a special fund (the "Special Tax Allocation Fund for the Central Business District TIF Area") every year. The assets of the Special Allocation Fund shall be used to pay Redevelopment Project Costs and retire any obligations incurred to finance Redevelopment Project Costs.

In order to expedite the implementation of the Redevelopment Plan and construction of the public improvements, the City of Pekin, pursuant to the authority granted to it under the Tax Increment Allocation Redevelopment Act, may issue bonds or other obligations to pay for the eligible Redevelopment Project costs. These obligations may be secured by future revenues to be collected and allocated to the Special Allocation Fund for the Central Business District TIF Redevelopment Project Area.

If available, revenues from other economic development funding sources, public or private, will be utilized. These may include State and Federal Programs, local retail sales tax, and applicable revenues from any adjoining Tax Increment Financing Areas, as well as other revenues. The final decision concerning redistribution of yearly tax increment revenues may be made a part of a bond ordinance.

F. Nature and Term of Obligations

Without excluding other methods of City or private financing, the principal source of funding will be those deposits made into the Special Allocation Fund of monies received from: a) the real property taxes on the increased value (above the initial equalized

assessed value) of real property in the Area and, b) increases on sales taxes within the Area. These monies may be used to repay private or public sources for the expenditure of funds made as Redevelopment Project Costs for applicable public or private redevelopment activities noted above, or may be used to amortize Tax Increment Revenue obligations, issued pursuant to this Redevelopment Plan, for a term not to exceed the expiration date of this TIF Program, bearing an annual interest rate as permitted by law.

Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the bonds and not needed for other redevelopment project costs or early bond retirements shall be declared as surplus and become available for distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial viability of the project. One or more bond issues may be sold at any time in order to implement this Redevelopment Plan. The City may utilize revenues from any other source, including City, State, or Federal funds, or tax increment revenues from this Project or adjoining TIF areas to pay for the costs of completing this Project.

G. Fair Employment Practices and Affirmative Action

The City of Pekin will ensure that all private and public redevelopment activities are constructed in accordance with fair employment practices and affirmative action by any and all recipients of Tax Increment Financing assistance. Furthermore, the City of Pekin will require compliance with its prevailing wage ordinance in effect at the time TIF eligible redevelopment project costs are incurred.

H. Reviewing and Amending the TIF Plan

This Redevelopment Plan may be amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq. Also, the City shall adhere to all reporting requirements and other statutory provisions.

PGAV**URBAN**CONSULTING

200 North Broadway, Suite 1000 • Saint Louis, Missouri 63102
1900 West 47th Place, Suite 100 • Westwood, Kansas 66205

www.pgav.com